

of the Twin Towers. It's a day I'll never forget. There were workers in hardhats there yelling at the top of their lungs, "Whatever it takes." I remember trying to console the people coming out of the rubble. A guy looked me in the eye, bloodshot eyes, and he said, "You do not let me down." Ever since that day, I've woken up—I wake up every morning, ever since that day, thinking about how better to protect our country. I will never relent in defending America, whatever it takes.

Four years ago, as I traveled this great country and your wonderful State asking for the vote, I made a pledge. I said that if you gave me a chance to serve, I would uphold the dignity and the honor of the office to which I had been elected. With your help, with your hard work, I will do so for 4 more years.

God bless. Thank you all for coming. Thank you all.

NOTE: The President spoke at 1:21 p.m. at the Ottawa County Fairgrounds. In his remarks, he referred to Senator Zell Miller of Georgia, who made the keynote address at the Republican National Convention; Mayor Albert H. McGeehan of Holland, MI; Diane Hoekstra, wife of Representative Peter Hoekstra; Betsy DeVos, chairman, Michigan Republican Party; country music entertainers the Bellamy Brothers; Prime Minister Ayad Allawi of the Iraqi Interim Government; former Democratic Presidential candidate Howard Dean; and Prime Minister Junichiro Koizumi of Japan.

Remarks in Battle Creek, Michigan

September 13, 2004

The President. Thank you all.

Audience members. Four more years! Four more years! Four more years!

The President. Thanks for coming. Thank you all very much. As you can see, I'm on a bus tour of your beautiful State. And stopping here in "Cereal City" is a good way to end a bus tour.

Thanks for coming out to say hello. I'm here to ask for the vote. I kind of like spending an afternoon in the ballpark asking for the vote. I so appreciate you being here. I'm not only here to ask for the vote; I want your help. See, I believe we have a duty in this

country to vote, and I would hope you would go out and register your friends and neighbors. Convince them they have a duty, in a free country, to participate. Don't overlook discerning Democrats like Zell Miller when you're out registering people to vote.

We've got a lot of people from the Democrat Party supporting my candidacy. We've got a lot of independents supporting my candidacy. We've got a lot of Republicans, because they understand that with 4 more years, this country will be safer, stronger, and better. There is no doubt in my mind, with your help, we will carry Michigan and win a great victory in November.

I am sorry that Laura is not here today. She's a great wife, a wonderful mom. I'm going to give you some reasons to put me back in, but perhaps the most important one is so that Laura will be First Lady for 4 more years.

I am running with a good man in Dick Cheney. Listen, I admit it, he doesn't have the waviest hair in the race. I didn't pick him for his hair. I picked him because he's got good judgment and great experience. I picked him because he can get the job done.

I want to thank Congressman Nick Smith for his service in the United States Congress. I'm looking forward to working with Dr. Joe Schwarz, the next Congressman from this district. I appreciate Terri Lynn Land being here. I appreciate the mayor being here. Mr. Mayor, thank you for coming. My only advice is fill the potholes. I'm honored you're here, sir. I want to thank all the people running for office.

I want to thank the grassroots activists, like my friend Betsy DeVos and all the people who are putting up the signs and making the phone calls. I appreciate the hard work you have been doing. I appreciate the hard work you are going to do. You're turning out a big vote come November.

I want to thank my friend Billy Dean for singing here today. I want to thank the Pennfield High School band for being here today. I'm trying to hurry up my speech so you can get home and do your homework. [Laughter] No? Okay.

I'm looking forward to the campaign. I'm looking forward to coming to Michigan a lot. I'm going to tell the people where I stand

and what I believe and where I'm going to lead this Nation for 4 more years.

I believe that every child can learn and every school must teach. I went to Washington to challenge the soft bigotry of low expectations. I want to raise the standards so we stop the practice of just shuffling kids through school year after year, without learning the basics. I believe we ought to measure early, so we can solve problems before it's too late. We're closing the achievement gap here in America because we've got a good plan, and we're not turning back.

I believe we have a moral responsibility to make sure our seniors get good health care. I went to Washington to solve problems. We had a problem with Medicare. See, medicine was modernizing, but Medicare wasn't. We'd pay nearly \$100,000 for heart surgery but wouldn't pay for the prescription drugs to prevent the heart surgery from being needed in the first place. That didn't make any sense. It didn't make any sense for our seniors. It didn't make any sense for the taxpayers. We've strengthened and modernized Medicare, and we're not turning back.

I believe in the energy and innovative spirit of America's workers, our farmers, our small-business owners. And that's why we unleashed that energy with the largest tax relief in a generation. When you're out there convincing people to go to the polls, remind them what this economy has been through. We've been through a recession. We've been through corporate scandals. By the way, we passed new laws, and it's abundantly clear here in America, we're not going to tolerate dishonesty in the boardrooms of America. We went through that terror attack. Some estimate that cost us three—a million jobs in the 3 months after the attack.

In other words, we've been through a lot, but this economy is strong and getting stronger. It's been growing at rates as fast as any in nearly 20 years. It's growing because the entrepreneurial spirit is strong. It's growing because there's no obstacle America cannot overcome.

We're adding jobs. We're adding jobs here in America. We've added 1.7 million new jobs since August of '03. The national unemployment rate is 5.4 percent. That's lower than the average rate in the 1970s, the 1980s,

and the 1990s. In Michigan, the unemployment rate here has fallen by 1 percent in the year 2004. But I understand we've got more work to do. We've got to continue to grow this economy to make sure the American people can find work. We've got to continue to have a pro-growth, pro-entrepreneur, pro-agriculture economic policy so people can find a job.

I believe a President must confront problems and not pass them on to future generations and future Presidents. I believe the most solemn duty of the American President is to protect the American people. If America shows uncertainty or weakness in this decade, the world will drift toward tragedy. This isn't going to happen on my watch.

I'm running for President with a clear and positive plan to build a safer world and a more hopeful America. I'm running on a compassionate conservative philosophy that Government should help people improve their lives, not try to run their lives. I believe this Nation wants steady, consistent, principled leadership, and that is why, with your help, we're going to win 4 more years.

Listen, the world we live in is changing. I understand that. When our fathers were coming up, they generally had one job, one career, one company, paid one pension plan, and one health care plan. The world we live in is different. It's changing. People have more than one career. They change jobs several times. Perhaps the biggest change of all is the workforce has changed. Women work inside the house now and outside the house. This is a changing world. And yet, many of the fundamental systems of our Government, health care and the Tax Code and pension plans and worker training, were designed for yesterday, not tomorrow. Think about that.

And so I believe we've got to change these systems so that all citizens are equipped and prepared and thus truly free to make your own decisions so you can realize the great promise of America, so it can be a hopeful society.

Listen, any hopeful society, though, starts with a growing economy. I've got a plan to keep this economy moving forward. In order to keep jobs here in America, in order to make sure our fellow citizens can find work, America must be the best place in the world

to do business. That means we've got to cut down on needless regulations that hamper the entrepreneurs in America. That means we've got to do something about these personal injury lawyers who keep suing everybody, makes it hard to keep work.

In order to keep jobs here, it means we need an energy plan. Listen, I submitted a plan to the United States Congress several years ago, and it's stuck. But it's a good plan. It encourages conservation. It encourages the development of renewables, alternative sources of energy like ethanol and biodiesel. It's a plan that says we can use technologies better, to use available resources. But it's a plan that understands this: To keep jobs here, to grow this economy, we must become less dependent on foreign sources of energy.

In order to keep this economy growing, we get wise about how we use our resources. I believe that we can manage our environment in wise and commonsensical ways. Every day is Earth Day if you own the land. If you make a living off the land, every day is Earth Day. We've also got to be wise about how we use our water resources. That starts with keeping Great Lakes water in the Great Lakes Basin. Earlier this year, my opponent said his decision about Great Lakes water diversion would be a delicate balancing act. Sounds just like him. *[Laughter]* My position is very clear: My administration will never allow the diversion of Great Lakes water.

To create jobs, we must reject economic isolationism and open up markets for U.S. products. Listen, we opened up our markets for goods from overseas, and it's good for the consumers here. If you've got more products to choose from, you're likely to get what you want at a better price and higher quality. What I'm saying to other countries like China is, "You treat us the way we treat you." *[Applause]* Yes. "You open up your markets for our farmers and ranchers and entrepreneurs." See, we can compete with anybody, anytime, anywhere if the rules are fair.

To create jobs, we've got to be wise about how we spend your money and keep your taxes low. Taxes are an issue in this campaign. I'm running against a fellow who, thus far, has promised over \$2 trillion of new Federal spending.

Audience members. Boo-o-o!

The President. Yes. And we haven't even gotten in the stretch run yet. So they asked him, "How are you going to pay for it?" He said, "Oh, we'll just tax the rich." You've heard that before, haven't you? That's why the rich hire lawyers and accountants, so you get stuck with the bill. We're not going to let him tax you. We're going to win in November.

Audience members. Four more years! Four more years! Four more years!

The President. Let me say—now we're talking about taxes, I want to say something about the Tax Code. It's a complicated mess. It's full of special interest loopholes. To keep jobs here, to keep the economy growing, we need a Tax Code that is fair and simple. In a new term, I'll work with Republicans and Democrats to simplify the Federal Tax Code.

Listen, in a changing world, our economy changes, and there are great new opportunities for the workers of America. But sometimes there's a skills gap. In order to make sure jobs stay here in America, we've got to make sure our worker training programs are modern and relevant. And that's one of the reasons why I'm such a big backer of the community college system around America. I want people to have the opportunity to retrain for the jobs for the 21st century.

I also know that most new jobs are filled by people with at least 2 years of college. We've got a changing world. Yet, only about one in four of our students gets there. In order to make sure jobs stay here, we've got to fund early intervention programs to help students at risk in our high schools. We've got to emphasize math and science in our high schools, so people are prepared for the jobs of the 21st century. Over time, we'll require a rigorous exam before graduation. What I'm telling you is, before—by raising performance in high schools and by expanding Pell grants for low- and middle-income families, we will help more Americans start their career with a college diploma.

In a time of change, we've got to do more to make sure health care is available and affordable. More than one-half of the uninsured are small-business employees and their families. Government should take the side of our small-business owners. We did so in the tax relief; we must do so when it comes to

health care. To make sure families get the help they need, small businesses ought to be allowed to join together to purchase insurance at the discounts that big companies get to do.

In order to make sure that health care is available, I promise to open or expand 1,200 community health centers around America by 2006. These are important facilities. These are places where the poor can go get primary care. This is where there can be preventative care. These are important because they take the strain off of emergency rooms around the country, and they're important because we're a compassionate country.

Today I met Dr. A.J. Jones. He runs the Family—Family Health Center of Battle Creek, Michigan. Right here in your hometown, you've got a community health center. He expects 85,000 visits this year, mostly from uninsured patients. And they're expanding the good work to Albion Clinic. What works—what I'm telling you is, in a new term, we're going to make sure every poor county in America has a community health center.

We'll expand health savings accounts. We'll make sure technology takes hold in the health care industry, which will help hold down costs. But I'm going to tell you one thing we need to do around this country to make sure health care is available and affordable. We've got to do something about these junk lawsuits that are running good docs out of business and are running up the cost of your health care. See, I don't think you can be pro-doctor, pro-patient, pro-hospital, and pro-trial-lawyer at the same time. I think you have to choose. And my opponent made his choice. He put him on the ticket. I made my choice: I'm for medical liability reform—now.

I believe the decisions—health care decisions need to be made between doctors and patients, not by Washington bureaucrats. And that's the fundamental difference between my health care plan and that of my opponent. He's laid out a massive, complicated blueprint to have Government control your health care. As a matter of fact, they took a look at his plan. They said it's going to cost \$1.5 trillion in new Government spending.

Audience members. Boo-o-o!

The President. That's what you'd expect from a Senator from Massachusetts.

In a changing world, ownership will help people deal with changing times. I believe in encouraging ownership. We're having great success when it comes to people owning their own homes. The homeownership rate is at an alltime high in America today. In the next term, we'll continue to expand ownership to all corners of this country, to all people. We want more people opening up the door where they live and say, "Welcome to my home. Welcome to my piece of property."

And I believe we've got to do something about the Social Security system. First of all, if you're a Social Security recipient, if you're retired or near retirement, you don't have a thing to worry about. I don't care what they say out of Washington, DC. I don't care how hard they try to scare you, you're going to get your check. Baby boomers, guys like me, we're in good shape when it comes to Social Security. But we need to worry about our children and our grandchildren. We need to be thinking about the youngsters coming up. I believe that young workers ought to be able to take some of their own tax money and set aside a personal savings account in Social Security, an account they call their own, an account that'll help Social Security make the promise, an account Government cannot take away.

These are changing times, and Government is going to stand side by side with people, not dictate to people. But in changing times, there are some things that do not change, the values we try to live by, courage and compassion, reverence and integrity. In changing times, we'll support the institutions that give our lives purpose and direction, our families, our schools, our religious congregations. We stand for a culture of life in which every person matters and every being counts. We stand for marriage and family, which are the foundations of our society. We stand for the appointment of Federal judges who know the difference between personal opinion and the strict interpretation of the law.

This election will also determine how America responds to the continuing danger of terrorism. Since September the 11th,

2001, that terrible morning which changed our history, we have fought the terrorists across the Earth, not for pride, not for power, but because the lives of our citizens are at stake.

We've got a clear strategy. We're defending the homeland. We're transforming our military. We're strengthening the intelligence services. We're staying on the offensive. We're striking the terrorists abroad, so we do not have to face them here at home.

We're working to advance liberty around the world and in—most particularly, the broader Middle East, and we're going to prevail. We will prevail. Our strategy is succeeding. Four years ago, not all that long ago, Afghanistan was the home base of Al Qaida; Pakistan was a transit point for terrorist groups; Saudi Arabia was a fertile ground for terrorist fundraising; Libya was pursuing nuclear weapons; Iraq was a gathering threat; Al Qaida was largely unchallenged as it planned attacks.

Because we acted, the Government of a free Afghanistan is fighting terror; Pakistan is capturing terrorists; Saudi Arabia is making raids and arrests; Libya is dismantling its weapons program; the army of a free Iraq is fighting for freedom; more than three-quarters of Al Qaida's key members have been brought to justice.

We have led. Many have joined, and America and the world are safer. This progress involved careful diplomacy, clear moral purpose, and some tough decisions. And the toughest came on Iraq. We knew Saddam Hussein's record of aggression and his support for terror. Abu Nidal, the guy who killed Leon Klinghoffer, he and his organization were in Baghdad. Zarqawi was in Baghdad. He's the guy that beheads people in hopes to cause us to shirk our duty.

Saddam Hussein paid the families of suicide bombers. He's a sworn enemy of this country. We knew he had a long history of pursuing weapons of mass destruction. We knew he had used weapons of mass destruction. And we know that after September the 11th, we must think differently. We must take threats seriously, before they fully materialize.

In Saddam Hussein, we saw a threat. And I went to the United States Congress. They

looked at the same intelligence I looked at. They remembered the same history I remembered and concluded Saddam Hussein was a threat and authorized the use of force. My opponent looked at the very same intelligence I looked at. He remembered the history, and he voted "yes" when it came to the authorization of force.

Before the Commander in Chief commits our troops into harm's way, we must try to deal with threats any way we can. And so I was hoping diplomacy would work. That's why I went to the United Nations. I said to the United Nations that we see a threat. "September the 11th has changed the world. Take a look." They did. They looked at the same intelligence, the same history, and with a 15-to-nothing vote in the United Nations Security Council—15 to nothing—concluded that Saddam Hussein must disclose, disarm, or face serious consequences.

I believe when the American President says something, he must mean it. I believe that when the world speaks, the world must mean it. Saddam Hussein ignored the demands of the free world—again. He had done so for nearly a decade, and he wasn't listening. As a matter of fact, when they sent inspectors into the country, he systematically deceived them.

So I have a choice to make at this point in our history. Diplomacy hadn't worked. Saddam Hussein had a final chance—his choice—to listen to the demands of the free world. And here's the choice: Do I take the word of a madman and forget the lessons of September the 11th, or take action to defend this country? Given that choice, I will defend America every time.

Because we acted to defend our country—

Audience members. Four more years! Four more years! Four more years!

The President. Because we acted in our self-interest, because we acted to protect ourself, 50 million people are now free in Afghanistan and Iraq. That matters. It matters to our security.

Think about what's happened in Afghanistan. It wasn't all that long ago—3 years ago—that many young girls didn't get to go

to school because of the Taliban. These people were barbaric people. They had an ideology of hate that's hard for Americans to comprehend. As a matter of fact, they'd take the mothers of these young girls out and whip them in the public square if they didn't toe the line. There was no freedom, none whatsoever. Today, because we acted, 10 million people, 40 percent of whom are women, have registered to vote in the upcoming Presidential election. It's not easy to go from a society as dark and dim as the Taliban to one where light is beginning to shine in because of freedom, but it's happening right here. And we're watching history. We're watching it happen.

In Iraq, there's a strong Prime Minister. There's a National Council. National elections are scheduled in January. It wasn't all that long ago we discovered mass graves where the tyrant just killed people whimsically. And now they're headed toward national elections. We're going to stand with the people of Afghanistan and Iraq, because when America gives its word, America will keep its word.

And we will stand with the people in Afghanistan and Iraq because we understand free societies will be hopeful societies, which no longer feed resentment and breed violence for export. We understand free governments will fight the terrorists instead of harboring terrorists and supporting the terrorists, which makes us all safer. And so our mission in Afghanistan and Iraq is clear. We'll help the new leaders train their police forces and their armies, so Afghan citizens and Iraqi citizens can do the hard work of defending freedom against the few who want to deny the hopes of the many. We'll help get them on the path on stability and democracy as quickly as possible, and then our troops will return home with the honor they have earned.

And it's been my honor to have met those who wear the uniform at bases across our country and at bases around the world. I appreciate their decency, their incredible courage. I want to thank the veterans who are here today for having set such a great example for those who wear the uniform.

I made a commitment to those who wear the uniform and to their loved ones that they

will have the resources they need to complete their missions. They'll have the support of our Government. That's why I went to Congress a year ago and asked for \$87 billion in funding—important funding, necessary funding to support our troops in harm's way in Iraq and Afghanistan. And I'm pleased to report that there was bipartisan support for that funding. And that was good. It's good for our troops and families to know that the Congress not only voted to authorize force but was willing to put up the money to help the troops. As a matter of fact, the bipartisan support was so strong, the bipartisan support so significant, that only 12 Members of the United States Senate voted against the funding—

Audience members. Boo-o-o!

The President. —2 of whom are my opponent and his runningmate.

Audience members. Boo-o-o!

The President. Now, when you're out gathering up the vote, I want you to remind people of this fact: There's only four United States Senators who voted to authorize the use of force and then voted against funding our troops.

Audience members. Boo-o-o!

The President. Only 4 of 100 Members—only 4 did that, 2 of whom are my opponent and his runningmate.

Audience members. Boo-o-o!

The President. No, we have a difference of opinion in this race, clearly. They asked him, they said, "Well, why did you do that?" He said, "Well, I actually did vote for the \$87 billion, right before I voted against it."

Audience members. Flip-flop! Flip-flop! Flip-flop!

The President. And so they said—they finally pressed him hard. He said he's proud of the vote, and he finally said, "The whole thing is a complicated matter." There's nothing complicated about supporting our troops in combat.

The American President must be clear in his thinking, must mean what he says, must be resolute and firm. Now, my opponent has more different positions on the Iraq issue than all his colleagues in the Senate combined. Senator Kerry once said, he said this,

"It would be naive to the point of grave danger not to believe that, left to his own devices, Saddam Hussein will provoke, misjudge, or stumble into a future, more dangerous confrontation with the civilized world." That was said, I believe, in 1998. In other words, he was warning us about the nature of Saddam Hussein.

Then, of course, he voted for the war in 2002, and didn't—voted against funding the troops. And then when the heat got on in the Democrat primary, he said, well, he was the antiwar candidate, when the pressure got on. Then he, several months later—this is earlier this summer—he said, well, he still would have voted to go to war, every—you know, knowing everything we know today. Last week he adopted the language of his opponent, Howard Dean, when he said "wrong war at the wrong time," even though he said earlier it was the right decision and he supported it.

Audience members. Flip-flop! Flip-flop! Flip-flop!

The President. Now, here's the newest wrinkle: Senator Kerry has now decided we're spending too much money in Iraq, even though he criticized me for not spending enough earlier.

Audience members. Flip-flop! Flip-flop! Flip-flop!

The President. The only thing that's clear about his position is that if he had his way, Saddam Hussein would still be in power.

Audience members. Boo-o-o!

The President. America is safer, and the world is better off with Saddam Hussein sitting in a prison cell.

I'm proud of the contributions that our friends and allies are making. We put together a good coalition. Over the next 4 years, I'm going to continue to work with our coalition, to strengthen our coalition. See, we've got to work together to make this world more peaceful, to help us protect ourselves, not only America but other countries. You know, there's about 40 nations involved in Afghanistan, some 30 in Iraq. But I assure you, I will never turn over America's national security decisions to leaders of other countries.

Audience members. U.S.A.! U.S.A.! U.S.A.!

The President. I believe in the transformational power of liberty. The wisest use of American strength is to advance freedom. I believe this because I've seen what liberty has done throughout the course of history. Think about this, when you're talking to people about what we're doing, when you hear me say this is an historic time, remind people of this. I sit down at the table with Prime Minister Koizumi of Japan, and he is a friend. The amazing thing about saying that, it wasn't all that long ago in the march of history that we were the sworn enemy of the Japanese. They attacked us. My dad fought against the Japanese. You've got relatives, I'm confident, who fought against the Japanese; your dads or your granddads were at war.

After we won World War II, my predecessor Harry Truman and many American citizens had great faith in the ability of liberty to convert an enemy into an ally. And so they worked with the Japanese to help them develop a democracy. Now, there was a lot of skeptics in those days. There was a lot of people who said, "That can't be." You can understand why. We had just fought a bloody war with them, but there was a great faith in liberty in those days. And today, because they had that faith, I now sit down at the table with my friend Prime Minister Koizumi and we're talking about keeping the peace.

That's what we talk about. We talk about how we can work together to make the world a more peaceful place. Someday, an American President will be sitting down with a duly elected leader of Iraq, and they're going to be talking about the peace. And our children and our grandchildren are going to be better off for it.

Freedom is a powerful force for good. I believe, in the Middle East, women want to be free. I believe they want their rights. I believe they want to have a chance to realize their ambitions and their dreams. I believe that people, if given a chance, will accept freedom and will adopt to the most honorable form of government ever devised by man. That's what I believe. And I believe this not because freedom is—freedom is America's gift to the world. I believe this because freedom is the Almighty God's gift to each man and woman in this world.

These are exciting times. We're living in historic times. This young century will be liberty's century. By promoting freedom at home and abroad, we'll build a safer world and a more hopeful America. By reforming systems of Government, we'll help more Americans realize their dream. We'll spread ownership and opportunity to every corner of this country. We'll pass the enduring values of our country to a new generation. We'll continue to lead the world to make it more free and more peaceful.

For all Americans, these years in our history will always stand apart. You know, there are quiet times in the life of a nation when little is expected of its leaders. This isn't one of those times. This is a time where we need firm resolve, clear vision, and an abiding faith in the values that make us a great land.

None of us will ever forget that week when one era ended and another began. On September the 14th, 2001, I stood in the ruins of the Twin Towers. It's a day that I'll never forget. There were workers in hardhats there yelling at me at the top of their lungs, "Whatever it takes." I remember trying to console the workers and thank the workers as best as I possibly could. And a guy grabbed me by the arm, and he said, "Don't let me down." Ever since that morning, I wake up thinking about how to better protect our country. I will never relent in defending America, whatever it takes.

Four years ago, as I traveled your great State asking for the vote, I made a pledge. I said if I was so honored to serve as President, I would uphold the honor and the dignity of the office. With your help and with your hard work, I will do so for 4 more years.

God bless. Thank you all for coming. Thank you all very much. Thank you all.

NOTE: The President spoke at 4:03 p.m. at C.O. Brown Stadium. In his remarks, he referred to Senator Zell Miller of Georgia, who made the keynote address at the Republican National Convention; Joe Schwarz, candidate for Congress in Michigan's Seventh Congressional District; Mayor John Godfrey III of Battle Creek, MI; Betsy DeVos, chairman, Michigan Republican Party; country music entertainer Billy Dean; senior Al Qaida associate Abu Musab Al Zarkawi; Prime Minister Ayad Allawi of the Iraqi Interim Government; former Democratic Presidential candidate

Howard Dean; and Prime Minister Junichiro Koizumi of Japan.

Message to the Senate Transmitting the Second Protocol Amending the Barbados-United States Taxation Convention

September 13, 2004

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit the Second Protocol Amending the Convention Between the United States of America and Barbados for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income Signed on December 31, 1984, signed at Washington on July 14, 2004. Also enclosed for the Senate's information is an exchange of notes with attached Understandings, which provide clarification with respect to the application of the Convention, as amended, in specified cases. Also transmitted for the information of the Senate is the report of the Department of State with respect to the Protocol.

The Protocol updates the existing Convention to bring it into close conformity with current U.S. tax treaty policy and to ensure that the Convention cannot be used inappropriately to secure tax reductions in circumstances where there is no risk of double taxation. The Protocol would modernize the Convention's anti-treaty-shopping provision. The Protocol also updates the Convention to take account of a 1996 change in the Internal Revenue Code relating to the tax treatment of certain former long-term residents of the United States. The exchange of notes with attached Understandings provides guidance to taxpayers and each government regarding the intended interpretation of certain provisions of the Convention, as amended.

I recommend that the Senate give early and favorable consideration to this Protocol and give its advice and consent to ratification.

George W. Bush

The White House,
September 13, 2004.